Honolulu, Hawaii Februam 27, 2014

RE: H.B. No. 2267 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2267 entitled:

"A BILL FOR AN ACT RELATING TO SECURE AND FAIR ENFORCEMENT FOR MORTGAGE LICENSING ACT,"

begs leave to report as follows:

The purpose of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act by making housekeeping amendments to clarify inconsistencies and, among other things, by:

- (1) Amending the types of individuals required to be licensed as a mortgage loan originator;
- (2) Including in the minimum standards for license renewal that a mortgage servicer company must be registered to do business in this State and be in good standing;
- (3) Specifying that denying the Insurance Commissioner or authorized representative access to any office, record, or file may be considered a violation of the Secure and Fair Enforcement for Mortgage Licensing Act; and
- (4) Repealing the language that requires the Insurance Division to reimburse sole proprietors for the fees paid for the State mortgage loan originator's initial application and annual license renewal fees.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Financial Services Association testified in opposition to this measure. The Hawaii Association of Mortgage Professionals provided comments on this measure.

Your Committee has amended this measure by:

- (1) Amending the definition of "offers or negotiates terms of a residential mortgage loan";
- (2) Changing sole proprietor to sole proprietorship throughout the Secure and Fair Enforcement for Mortgage Licensing Act and adding the relevant definition;
- (3) Deleting the license renewal requirement that a mortgage loan originator company and mortgage servicer be in good standing with the business registration division;
- (4) Requiring mortgage home originator companies to post their regular business hours in a conspicuous place at the location;
- (5) Allowing mortgage home originator companies to post language that specifies that members of the public are seen by appointment during regular business hours;
- (6) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267, H.D. 1, and be placed on the calendar for Third Reading.

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Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 666-14

Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: HB 2207	Committe	e Referral:	Dat	e: 24	, for I
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)					
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CPC Membe	ers	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.F	ζ. (C)				
2. KAWAKAMI, Derek S.	K. (VC)				
3. BELATTI, Della Au					
4. BROWER, Tom	9600EXXXX				
5. CACHOLA, Romy M.					
6. CREAGAN, Richard					AND AND AND ASSESSED OF THE SECOND
7. EVANS, Cindy					
8. HAR, Sharon E.9. ITO, Ken					
10. LEE, Chris					
11. NAKASHIMA, Mark M		11/4 / T. T.			
12. OSHIRO, Marcus R.	general (entre les alles anno les este entre les anno les este entre les este entre les este entre entre entre			S MARKADES CARROLL STATE OF THE	DESCRIPTION TO THE OWNER.
13. TSUJI, Clift					
14. YAMANE, Ryan I.	en constituire de la		THE SAME GIRLS MAKE IN COMMITTEE OF THE SAME I	A STATE OF THE STA	- 12 Jan - 1
15. MCDERMOTT, Bob					NEED OF BUILDING
16. THIELEN, Cynthia	-				
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PARTICIPATION IN THE STATE OF T		*****			
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TOTAL (16) /	12	\		
The recommendation is: Adopted Not Adopted					
If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					